

Public Hearing & Worksession

Agenda Item #	4 & 5
Meeting Date	April 26, 2004
Prepared By	Alfred D. Lott
Approved By	Richard M. Finn, City Mgr.

Discussion Item	Street Improvements-Public Hearing and Worksession Regarding Funding
Background	<p>The City Council conducted four meetings and a public hearing between September 9, 2002 and January 13, 2003 to discuss the condition of the City's roadways and funding for street repairs.</p> <ol style="list-style-type: none"> 1. At the January 13, 2003 meeting, the City Council directed the Public Works Department to conduct a scientific survey of the City's roadways to provide the following information: <ol style="list-style-type: none"> a. A condition assessment of each roadway by professional engineers. The assessment would include the findings from subsurface as well as surface inspection of the roadways. b. Establish a priority list for repair based on the results of the scientific study. c. A professional estimate of the costs of repair by street and an estimate of the total cost. 2. After conducting a bid process, EBA Engineering, Inc. was awarded a contract to conduct the study for the City for \$66,072. The final product included: <ol style="list-style-type: none"> a. An Executive Summary and Introduction b. A Pavement Condition Survey c. A Pavement Condition Index d. Field Observations e. Recommendations: By Rehabilitation Option and By Rating and a description of Rehabilitation Methods. f. Traffic Count Data g. Results of subsurface Coring 3. According to the Street Study, completed by EBA Engineering, the estimated cost for addressing the City's streets that require rehabilitation is \$4,096,000. This cost includes road surface repair, with a 20% contingency for curb, gutter and driveway apron restoration. The costs for sidewalk replacements were not included. 4. On March 1, 2004, the Public Works Department presented the Street Study to the Mayor and City Council on the Street Study. The study was accepted by the Mayor and City Council and dates were set for a public hearing on the subject of borrowing funds to complete the street renovations detailed in the study.
Policy	N/A

Fiscal Impact	The City allocates \$500,000 per fiscal year to the Capital Budget for street rehabilitation. The Capital funds for FY 04 have been expended. However, the City has received \$700,000 from the State of Maryland that is has been scheduled for street rehabilitation to enhance the affected neighborhoods. This work has begun. The State funds must be committed by June 30, 2004.
Attachments	The Street Study by EBA has been posted to the Web page and copies were provided to Council in March. Additional copies will be available upon request. Three amortization tables have been included for your information.
Recommendation	<p>1. The City should rehabilitate its streets following the recommendations of the Street Study.</p> <p>2. Recommend that the City Council approve a funding program that will enable all the streets in need of rehabilitation to be addressed within the next two and one half paving seasons. The estimated funding shortfall is \$2,896,000. Based on current interest rates (2.6%) the City could borrow the \$2,900,000 from a local bank for a seven year period of time and have annual payments of \$453,576. This borrowing would be considered a short term loan and would not require formal bonding. The annual payments would be made from the City's Street Reconstruction fund which has been targeted by City Council to be \$500,000 per year. Under this approach the City could proceed to implement the entire street rehabilitation program over a two year period (2005-06).</p> <p>However , another approach the Council could consider would be to have all of the City streets in the total reconstruction category (\$1,659,352) and the mill and overlay and base repair category (\$1,545,608) improved as one project. Again, subtracting the City's available fiscal resources (\$1,200,000) the amount the City would borrow would be (\$2,004,999). At an interest rate of 2.15% for five years this would cost the City \$423,298 per year for the five year period. At an interest rate of 2.60% for a seven year period of time this would cost the City \$313,593 per year. This approach would bring all of the City's problem streets up to an excellent level and the remaining streets (fair) could wait until additional funds could be secured by the City or until the short term loan was paid back. A copy of the amortization tables are attached.</p> <p>The City has precedent in borrowing funds to resurface some of its streets. Four years ago the City received a grant and a \$500,000 loan to resurface the streets in Pinecrest. The City is repaying the County \$50,000 per year with a zero interest and will continue to do so for the next several years.</p>
Special Consideration	

\$2,004,999**5 years****2.15%****Amortization Table**

Below is an amortization table, you can print out, which shows you the Principal & Interest payment, which does not include property taxes or insurance.

Month	Monthly Payment	Remaining Amount Owed	Monthly Principal Paid	Monthly Interest Paid	Cumulative Interest Paid
0	\$0	\$2,004,999	\$0	\$0	\$0
1	\$35,274.87	\$1,973,316	\$31,683	\$3,592	\$3,592
2	\$35,274.87	\$1,941,577	\$31,739	\$3,536	\$7,128
3	\$35,274.87	\$1,909,781	\$31,796	\$3,479	\$10,606
4	\$35,274.87	\$1,877,928	\$31,853	\$3,422	\$14,028
5	\$35,274.87	\$1,846,017	\$31,910	\$3,365	\$17,393
6	\$35,274.87	\$1,814,050	\$31,967	\$3,307	\$20,700
7	\$35,274.87	\$1,782,025	\$32,025	\$3,250	\$23,950
8	\$35,274.87	\$1,749,943	\$32,082	\$3,193	\$27,143
9	\$35,274.87	\$1,717,804	\$32,140	\$3,135	\$30,279
10	\$35,274.87	\$1,685,607	\$32,197	\$3,078	\$33,356
11	\$35,274.87	\$1,653,352	\$32,255	\$3,020	\$36,376
12	\$35,274.87	\$1,621,039	\$32,313	\$2,962	\$39,339
13	\$35,274.87	\$1,588,669	\$32,371	\$2,904	\$42,243
14	\$35,274.87	\$1,556,240	\$32,429	\$2,846	\$45,089
15	\$35,274.87	\$1,523,754	\$32,487	\$2,788	\$47,878
16	\$35,274.87	\$1,491,209	\$32,545	\$2,730	\$50,608
17	\$35,274.87	\$1,458,606	\$32,603	\$2,672	\$53,279
18	\$35,274.87	\$1,425,944	\$32,662	\$2,613	\$55,893
19	\$35,274.87	\$1,393,224	\$32,720	\$2,555	\$58,447
20	\$35,274.87	\$1,360,445	\$32,779	\$2,496	\$60,944
21	\$35,274.87	\$1,327,608	\$32,837	\$2,437	\$63,381
22	\$35,274.87	\$1,294,712	\$32,896	\$2,379	\$65,760
23	\$35,274.87	\$1,261,757	\$32,955	\$2,320	\$68,079
24	\$35,274.87	\$1,228,742	\$33,014	\$2,261	\$70,340
25	\$35,274.87	\$1,195,669	\$33,073	\$2,201	\$72,542
26	\$35,274.87	\$1,162,536	\$33,133	\$2,142	\$74,684
27	\$35,274.87	\$1,129,344	\$33,192	\$2,083	\$76,767
28	\$35,274.87	\$1,096,093	\$33,251	\$2,023	\$78,790
29	\$35,274.87	\$1,062,782	\$33,311	\$1,964	\$80,754
30	\$35,274.87	\$1,029,411	\$33,371	\$1,904	\$82,658
31	\$35,274.87	\$995,981	\$33,431	\$1,844	\$84,502

32	\$35,274.87	\$962,490	\$33,490	\$1,784	\$86,287
33	\$35,274.87	\$928,940	\$33,550	\$1,724	\$88,011
34	\$35,274.87	\$895,329	\$33,611	\$1,664	\$89,676
35	\$35,274.87	\$861,659	\$33,671	\$1,604	\$91,280
36	\$35,274.87	\$827,927	\$33,731	\$1,544	\$92,824
37	\$35,274.87	\$794,136	\$33,791	\$1,483	\$94,307
38	\$35,274.87	\$760,284	\$33,852	\$1,423	\$95,730
39	\$35,274.87	\$726,371	\$33,913	\$1,362	\$97,092
40	\$35,274.87	\$692,398	\$33,973	\$1,301	\$98,393
41	\$35,274.87	\$658,363	\$34,034	\$1,241	\$99,634
42	\$35,274.87	\$624,268	\$34,095	\$1,180	\$100,814
43	\$35,274.87	\$590,112	\$34,156	\$1,118	\$101,932
44	\$35,274.87	\$555,894	\$34,218	\$1,057	\$102,989
45	\$35,274.87	\$521,615	\$34,279	\$996	\$103,985
46	\$35,274.87	\$487,275	\$34,340	\$935	\$104,920
47	\$35,274.87	\$452,873	\$34,402	\$873	\$105,793
48	\$35,274.87	\$418,410	\$34,463	\$811	\$106,604
49	\$35,274.87	\$383,884	\$34,525	\$750	\$107,354
50	\$35,274.87	\$349,297	\$34,587	\$688	\$108,042
51	\$35,274.87	\$314,648	\$34,649	\$626	\$108,668
52	\$35,274.87	\$279,937	\$34,711	\$564	\$109,231
53	\$35,274.87	\$245,164	\$34,773	\$502	\$109,733
54	\$35,274.87	\$210,328	\$34,836	\$439	\$110,172
55	\$35,274.87	\$175,430	\$34,898	\$377	\$110,549
56	\$35,274.87	\$140,470	\$34,961	\$314	\$110,863
57	\$35,274.87	\$105,447	\$35,023	\$252	\$111,115
58	\$35,274.87	\$70,361	\$35,086	\$189	\$111,304
59	\$35,274.87	\$35,212	\$35,149	\$126	\$111,430

\$2,004,999 7 years 2.60%

Amortization Table

Below is an amortization table, you can print out, which shows you the Principal & Interest payment, which does not include property taxes or insurance.

Month	Monthly Payment	Remaining Amount Owed	Monthly Principal Paid	Monthly Interest Paid	Cumulative Interest Paid
0	\$0	\$2,004,999	\$0	\$0	\$0
1	\$26,132.75	\$1,983,210	\$21,789	\$4,344	\$4,344
2	\$26,132.75	\$1,961,375	\$21,836	\$4,297	\$8,641
3	\$26,132.75	\$1,939,492	\$21,883	\$4,250	\$12,891
4	\$26,132.75	\$1,917,561	\$21,931	\$4,202	\$17,093
5	\$26,132.75	\$1,895,583	\$21,978	\$4,155	\$21,248
6	\$26,132.75	\$1,873,557	\$22,026	\$4,107	\$25,355
7	\$26,132.75	\$1,851,484	\$22,073	\$4,059	\$29,414
8	\$26,132.75	\$1,829,363	\$22,121	\$4,012	\$33,426
9	\$26,132.75	\$1,807,194	\$22,169	\$3,964	\$37,389
10	\$26,132.75	\$1,784,976	\$22,217	\$3,916	\$41,305
11	\$26,132.75	\$1,762,711	\$22,265	\$3,867	\$45,172
12	\$26,132.75	\$1,740,398	\$22,314	\$3,819	\$48,992
13	\$26,132.75	\$1,718,036	\$22,362	\$3,771	\$52,762
14	\$26,132.75	\$1,695,625	\$22,410	\$3,722	\$56,485
15	\$26,132.75	\$1,673,167	\$22,459	\$3,674	\$60,159
16	\$26,132.75	\$1,650,659	\$22,508	\$3,625	\$63,784
17	\$26,132.75	\$1,628,103	\$22,556	\$3,576	\$67,360
18	\$26,132.75	\$1,605,497	\$22,605	\$3,528	\$70,888
19	\$26,132.75	\$1,582,843	\$22,654	\$3,479	\$74,366
20	\$26,132.75	\$1,560,140	\$22,703	\$3,429	\$77,796
21	\$26,132.75	\$1,537,388	\$22,752	\$3,380	\$81,176
22	\$26,132.75	\$1,514,586	\$22,802	\$3,331	\$84,507
23	\$26,132.75	\$1,491,735	\$22,851	\$3,282	\$87,789
24	\$26,132.75	\$1,468,834	\$22,901	\$3,232	\$91,021
25	\$26,132.75	\$1,445,884	\$22,950	\$3,182	\$94,203
26	\$26,132.75	\$1,422,884	\$23,000	\$3,133	\$97,336
27	\$26,132.75	\$1,399,834	\$23,050	\$3,083	\$100,419
28	\$26,132.75	\$1,376,734	\$23,100	\$3,033	\$103,452
29	\$26,132.75	\$1,353,584	\$23,150	\$2,983	\$106,435
30	\$26,132.75	\$1,330,384	\$23,200	\$2,933	\$109,368
31	\$26,132.75	\$1,307,134	\$23,250	\$2,882	\$112,250

32	\$26,132.75	\$1,283,834	\$23,301	\$2,832	\$115,082
33	\$26,132.75	\$1,260,482	\$23,351	\$2,782	\$117,864
34	\$26,132.75	\$1,237,081	\$23,402	\$2,731	\$120,595
35	\$26,132.75	\$1,213,628	\$23,452	\$2,680	\$123,275
36	\$26,132.75	\$1,190,125	\$23,503	\$2,630	\$125,905
37	\$26,132.75	\$1,166,571	\$23,554	\$2,579	\$128,484
38	\$26,132.75	\$1,142,966	\$23,605	\$2,528	\$131,011
39	\$26,132.75	\$1,119,309	\$23,656	\$2,476	\$133,488
40	\$26,132.75	\$1,095,602	\$23,708	\$2,425	\$135,913
41	\$26,132.75	\$1,071,843	\$23,759	\$2,374	\$138,287
42	\$26,132.75	\$1,048,033	\$23,810	\$2,322	\$140,609
43	\$26,132.75	\$1,024,171	\$23,862	\$2,271	\$142,880
44	\$26,132.75	\$1,000,257	\$23,914	\$2,219	\$145,099
45	\$26,132.75	\$976,291	\$23,966	\$2,167	\$147,266
46	\$26,132.75	\$952,274	\$24,017	\$2,115	\$149,381
47	\$26,132.75	\$928,204	\$24,069	\$2,063	\$151,444
48	\$26,132.75	\$904,083	\$24,122	\$2,011	\$153,456
49	\$26,132.75	\$879,909	\$24,174	\$1,959	\$155,414
50	\$26,132.75	\$855,683	\$24,226	\$1,906	\$157,321
51	\$26,132.75	\$831,404	\$24,279	\$1,854	\$159,175
52	\$26,132.75	\$807,072	\$24,331	\$1,801	\$160,976
53	\$26,132.75	\$782,688	\$24,384	\$1,749	\$162,725
54	\$26,132.75	\$758,251	\$24,437	\$1,696	\$164,421
55	\$26,132.75	\$733,762	\$24,490	\$1,643	\$166,064
56	\$26,132.75	\$709,219	\$24,543	\$1,590	\$167,653
57	\$26,132.75	\$684,622	\$24,596	\$1,537	\$169,190
58	\$26,132.75	\$659,973	\$24,649	\$1,483	\$170,673
59	\$26,132.75	\$635,270	\$24,703	\$1,430	\$172,103
60	\$26,132.75	\$610,514	\$24,756	\$1,376	\$173,480
61	\$26,132.75	\$585,704	\$24,810	\$1,323	\$174,802
62	\$26,132.75	\$560,840	\$24,864	\$1,269	\$176,072
63	\$26,132.75	\$535,923	\$24,918	\$1,215	\$177,287
64	\$26,132.75	\$510,951	\$24,972	\$1,161	\$178,448
65	\$26,132.75	\$485,925	\$25,026	\$1,107	\$179,555
66	\$26,132.75	\$460,846	\$25,080	\$1,053	\$180,608
67	\$26,132.75	\$435,711	\$25,134	\$998	\$181,606
68	\$26,132.75	\$410,523	\$25,189	\$944	\$182,550
69	\$26,132.75	\$385,279	\$25,243	\$889	\$183,440
70	\$26,132.75	\$359,981	\$25,298	\$835	\$184,275
71	\$26,132.75	\$334,629	\$25,353	\$780	\$185,054
72	\$26,132.75	\$309,221	\$25,408	\$725	\$185,780
73	\$26,132.75	\$283,758	\$25,463	\$670	\$186,449
74	\$26,132.75	\$258,240	\$25,518	\$615	\$187,064
75	\$26,132.75	\$232,667	\$25,573	\$560	\$187,624
76	\$26,132.75	\$207,038	\$25,629	\$504	\$188,128

77	\$26,132.75	\$181,354	\$25,684	\$449	\$188,577
78	\$26,132.75	\$155,614	\$25,740	\$393	\$188,969
79	\$26,132.75	\$129,819	\$25,796	\$337	\$189,307
80	\$26,132.75	\$103,967	\$25,851	\$281	\$189,588
81	\$26,132.75	\$78,060	\$25,907	\$225	\$189,813
82	\$26,132.75	\$52,096	\$25,964	\$169	\$189,982
83	\$26,132.75	\$26,076	\$26,020	\$113	\$190,095

\$2,900,000**7 years 2.6%****Amortization Table**

Below is an amortization table, you can print out, which shows you the Principal & Interest payment, which does not include property taxes or insurance.

Month	Monthly Payment	Remaining Amount Owed	Monthly Principal Paid	Monthly Interest Paid	Cumulative Interest Paid
0	\$0	<u>\$2,900,000</u>	\$0	\$0	\$0
1	\$37,798.01	\$2,868,485	\$31,515	\$6,283	\$6,283
2	\$37,798.01	\$2,836,902	\$31,583	\$6,215	\$12,498
3	\$37,798.01	\$2,805,251	\$31,651	\$6,147	\$18,645
4	\$37,798.01	\$2,773,531	\$31,720	\$6,078	\$24,723
5	\$37,798.01	\$2,741,742	\$31,789	\$6,009	\$30,732
6	\$37,798.01	\$2,709,885	\$31,858	\$5,940	\$36,673
7	\$37,798.01	\$2,677,958	\$31,927	\$5,871	\$42,544
8	\$37,798.01	\$2,645,962	\$31,996	\$5,802	\$48,346
9	\$37,798.01	\$2,613,897	\$32,065	\$5,733	\$54,079
10	\$37,798.01	\$2,581,763	\$32,135	\$5,663	\$59,743
11	\$37,798.01	\$2,549,559	\$32,204	\$5,594	\$65,337
12	\$37,798.01	\$2,517,285	\$32,274	\$5,524	\$70,861
13	\$37,798.01	\$2,484,941	\$32,344	\$5,454	\$76,315
14	\$37,798.01	\$2,452,527	\$32,414	\$5,384	\$81,699
15	\$37,798.01	\$2,420,043	\$32,484	\$5,314	\$87,013
16	\$37,798.01	\$2,387,488	\$32,555	\$5,243	\$92,256
17	\$37,798.01	\$2,354,863	\$32,625	\$5,173	\$97,429
18	\$37,798.01	\$2,322,167	\$32,696	\$5,102	\$102,531
19	\$37,798.01	\$2,289,400	\$32,767	\$5,031	\$107,563
20	\$37,798.01	\$2,256,563	\$32,838	\$4,960	\$112,523
21	\$37,798.01	\$2,223,654	\$32,909	\$4,889	\$117,412
22	\$37,798.01	\$2,190,674	\$32,980	\$4,818	\$122,230
23	\$37,798.01	\$2,157,622	\$33,052	\$4,746	\$126,977
24	\$37,798.01	\$2,124,499	\$33,123	\$4,675	\$131,651
25	\$37,798.01	\$2,091,304	\$33,195	\$4,603	\$136,254
26	\$37,798.01	\$2,058,037	\$33,267	\$4,531	\$140,786
27	\$37,798.01	\$2,024,699	\$33,339	\$4,459	\$145,245
28	\$37,798.01	\$1,991,287	\$33,411	\$4,387	\$149,632
29	\$37,798.01	\$1,957,804	\$33,484	\$4,314	\$153,946
30	\$37,798.01	\$1,924,248	\$33,556	\$4,242	\$158,188
31	\$37,798.01	\$1,890,619	\$33,629	\$4,169	\$162,357

32	\$37,798.01	\$1,856,917	\$33,702	\$4,096	\$166,453
33	\$37,798.01	\$1,823,143	\$33,775	\$4,023	\$170,477
34	\$37,798.01	\$1,789,295	\$33,848	\$3,950	\$174,427
35	\$37,798.01	\$1,755,374	\$33,921	\$3,877	\$178,304
36	\$37,798.01	\$1,721,379	\$33,995	\$3,803	\$182,107
37	\$37,798.01	\$1,687,310	\$34,068	\$3,730	\$185,837
38	\$37,798.01	\$1,653,168	\$34,142	\$3,656	\$189,493
39	\$37,798.01	\$1,618,952	\$34,216	\$3,582	\$193,074
40	\$37,798.01	\$1,584,662	\$34,290	\$3,508	\$196,582
41	\$37,798.01	\$1,550,297	\$34,365	\$3,433	\$200,016
42	\$37,798.01	\$1,515,858	\$34,439	\$3,359	\$203,375
43	\$37,798.01	\$1,481,345	\$34,514	\$3,284	\$206,659
44	\$37,798.01	\$1,446,756	\$34,588	\$3,210	\$209,868
45	\$37,798.01	\$1,412,093	\$34,663	\$3,135	\$213,003
46	\$37,798.01	\$1,377,354	\$34,738	\$3,060	\$216,063
47	\$37,798.01	\$1,342,541	\$34,814	\$2,984	\$219,047
48	\$37,798.01	\$1,307,651	\$34,889	\$2,909	\$221,956
49	\$37,798.01	\$1,272,687	\$34,965	\$2,833	\$224,789
50	\$37,798.01	\$1,237,646	\$35,041	\$2,757	\$227,546
51	\$37,798.01	\$1,202,530	\$35,116	\$2,682	\$230,228
52	\$37,798.01	\$1,167,337	\$35,193	\$2,605	\$232,834
53	\$37,798.01	\$1,132,068	\$35,269	\$2,529	\$235,363
54	\$37,798.01	\$1,096,723	\$35,345	\$2,453	\$237,816
55	\$37,798.01	\$1,061,301	\$35,422	\$2,376	\$240,192
56	\$37,798.01	\$1,025,803	\$35,499	\$2,299	\$242,491
57	\$37,798.01	\$990,228	\$35,575	\$2,223	\$244,714
58	\$37,798.01	\$954,575	\$35,653	\$2,145	\$246,859
59	\$37,798.01	\$918,845	\$35,730	\$2,068	\$248,928
60	\$37,798.01	\$883,038	\$35,807	\$1,991	\$250,918
61	\$37,798.01	\$847,153	\$35,885	\$1,913	\$252,832
62	\$37,798.01	\$811,191	\$35,963	\$1,835	\$254,667
63	\$37,798.01	\$775,150	\$36,040	\$1,758	\$256,425
64	\$37,798.01	\$739,032	\$36,119	\$1,679	\$258,104
65	\$37,798.01	\$702,835	\$36,197	\$1,601	\$259,705
66	\$37,798.01	\$666,560	\$36,275	\$1,523	\$261,228
67	\$37,798.01	\$630,206	\$36,354	\$1,444	\$262,672
68	\$37,798.01	\$593,774	\$36,433	\$1,365	\$264,038
69	\$37,798.01	\$557,262	\$36,511	\$1,287	\$265,324
70	\$37,798.01	\$520,671	\$36,591	\$1,207	\$266,532
71	\$37,798.01	\$484,002	\$36,670	\$1,128	\$267,660
72	\$37,798.01	\$447,252	\$36,749	\$1,049	\$268,709
73	\$37,798.01	\$410,423	\$36,829	\$969	\$269,678
74	\$37,798.01	\$373,515	\$36,909	\$889	\$270,567
75	\$37,798.01	\$336,526	\$36,989	\$809	\$271,376
76	\$37,798.01	\$299,457	\$37,069	\$729	\$272,105

77	\$37,798.01	\$262,308	\$37,149	\$649	\$272,754
78	\$37,798.01	\$225,078	\$37,230	\$568	\$273,323
79	\$37,798.01	\$187,768	\$37,310	\$488	\$273,810
80	\$37,798.01	\$150,377	\$37,391	\$407	\$274,217
81	\$37,798.01	\$112,904	\$37,472	\$326	\$274,543
82	\$37,798.01	\$75,351	\$37,553	\$245	\$274,787
83	\$37,798.01	\$37,716	\$37,635	\$163	\$274,951